

CIA INTERNAL USE ONLY

OGC 70-1641

23 September 1970

MEMORANDUM FOR THE RECORD

SUBJECT: CIA Retirement Legislation

1. On 23 September 1970 Mr. Houston and I met with Roy T. Englert, Deputy General Counsel, Department of the Treasury, and Edward Snyder and Cedric Kroll, also of Treasury.

2. Mr. Houston immediately explained that we were not there to debate the merits of the Treasury view on unfunded liability as opposed to the earlier statutory definition. He added we were perfectly happy to go with either, and in fact some of our people favor the current Treasury view. Mr. Houston explained our real problem is the  ceiling through 30 June 1974. It was pointed out that, allowing for slots already used and slots reserved for mandatory retirements, we were down to approximately 45 slots for all voluntary retirements through 30 June 1974. Thus, we stated we were in a real "crunch," since there has to be reasonable planning for retirements, both for the sake of the employees and for proper management.

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3. After some discussion it was agreed that there appeared to be three possible courses of action:

a. To amend our bill to conform with Treasury's view. The Treasury people recognized this might be less than satisfactory from the Agency's viewpoint, since we would be breaking new ground. Furthermore, they were not certain OMB would approve it.

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b. Delete the financing provisions entirely and go with the rest of the bill. Treasury has no problem with this, and it was agreed this was a matter for discussion with OMB.

c. Go with the current bill with the understanding that the Agency will accept whatever provisions are finally decided on for Civil Service and Foreign Service retirement. The Treasury people, particularly Mr. Snyder and Mr. Kroll, said this was most unsatisfactory from their viewpoint and conceded that they were using the Agency bill in effect as a "hostage" to present their point of view forcibly to OMB and other parts of Government.

4. It was made quite clear that at the level we were talking they would not accept the current bill. Therefore, it was agreed that we, with a better understanding of Treasury's views, would be discussing this with OMB. We also made it clear that if OMB would go along with deletion of the financing provisions the Agency would be willing to adopt whatever new concept of unfunded liability is finally reached, including being part of an omnibus bill, assuming our congressional subcommittees have no objections from a jurisdictional standpoint.

[Redacted Signature Box]

JOHN S. WARNER  
Deputy General Counsel

STAT

cc: ExDir-Compt  
DDS  
OLC  
D/Finance  
D/Personnel

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| <b>TRANSMITTAL SLIP</b> |          | DATE<br>23 September 1970      |
| TO:<br>OLC              |          |                                |
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| REMARKS:                |          |                                |
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FORM NO. 241  
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REPLACES FORM 36-8  
WHICH MAY BE USED.

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